

THE DEVELOPMENT MODEL OF PESANTREN ECONOMIC INDEPENDENCE THROUGH FOUNDATION-OWNED BUSINESS ENTITIES IN MIFTAHUL ULUM LUMAJANG BOARDING SCHOOL

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Abstract

Islamic boarding schools (pesantren) have a strategic role not only as Islamic educational institutions, but also as centers of social and economic empowerment for the surrounding community. In response to the need for institutional sustainability, pesantren are required to develop economic independence through productive and professionally managed business activities. One of the strategies implemented is the establishment of a Foundation-Owned Business Entity (Badan Usaha Milik Yayasan / BUMY), which functions as an instrument to strengthen financial independence and support educational development. This study aims to analyze the development model of pesantren economic independence through BUMY at Pondok Pesantren Miftahul Ulum Lumajang. This research uses a qualitative method with a case study approach. Data were collected through observation, in-depth interviews, and documentation involving foundation administrators, business unit managers, students, alumni, and relevant community actors. The findings show that BUMY contributes to creating alternative sources of income for the pesantren through several business units, including supermarkets, agriculture, livestock farming, and laundry services. The management of these business units also involves students and alumni, thereby supporting entrepreneurship education and strengthening practical economic skills. However, the development of BUMY still faces several challenges, particularly limited capital, managerial capacity, digital marketing, and product competitiveness. These challenges can be addressed through capacity-building programs, professional governance, innovation, and strategic partnerships with external stakeholders. The study concludes that BUMY can serve as an effective model for developing pesantren economic independence when supported by Islamic values, professional management, and sustainable collaboration. Nevertheless, further research is needed to measure its long-term impact and examine the possibility of replicating this model in other pesantren with different institutional and socio-economic characteristics.

Keywords: economic independence, pesantren, Foundation-Owned Business Entity, BUMY, development model.

INTRODUCTION

Islamic boarding schools, known as pesantren, are among the oldest Islamic educational institutions in Indonesia. For centuries, pesantren have played an important role not only in transmitting Islamic knowledge, but also in shaping the character, morality, social awareness, and independence of students. Beyond their educational function, pesantren have also contributed significantly to community development, especially in rural areas where they often serve as centers of religious learning, social guidance, and local economic activity. The increasing number of pesantren in Indonesia, which has reached more than 39,000 institutions across the country according to the Ministry of Religious Affairs, reflects their strategic potential as agents of educational, social, and economic transformation (Directorate of Diniyah and Islamic Boarding School Education, Ministry of Religious Affairs, 2021).

Along with social and economic changes, pesantren are increasingly required to transform into more independent institutions. This independence is not only related to the quality of education and institutional governance, but also to the ability of pesantren to build sustainable economic resources. In practice, however, many pesantren still rely heavily on donations, zakat, community contributions, and government assistance. These sources of funding are often uncertain and insufficient to support long-term institutional development, including infrastructure improvement, educational quality enhancement, and daily operational needs. As a result, pesantren face challenges in maintaining sustainability and expanding their contribution to society.

Several pesantren in Indonesia have demonstrated successful models of economic empowerment through professionally managed business units. Pondok Pesantren Sidogiri and Tebuireng, for example, have shown that pesantren can develop productive economic activities that become major sources of institutional funding. Nevertheless, such success remains limited to a relatively small number of pesantren. Most pesantren have not yet been able to optimize their economic potential due to limited capital, weak managerial capacity, lack of innovation, and insufficient partnership networks. This condition indicates a gap between the large economic potential of pesantren and the actual realization of their economic independence (Aziz, Sari, & Rahman, 2022).

The development of pesantren economic independence is also closely related to the principles of maqashid syariah, particularly hifz al-mal or the protection and proper management of wealth. Islam encourages productive, ethical, and halal economic activities that benefit individuals and society. In this context, the establishment of Foundation-Owned Business Entities or Badan Usaha Milik Yayasan (BUMY) can become a strategic instrument for strengthening pesantren economic independence. Through BUMY, pesantren can manage various business sectors such as agriculture, livestock, trade, services, and creative industries. These business

activities are expected not only to generate income for the institution, but also to provide entrepreneurship education, employment opportunities, and practical economic experience for students and the surrounding community (Ubaidillah, 2020).

However, the implementation of BUMY in pesantren is not without challenges. Many pesantren still experience difficulties in developing professional business management systems, integrating Islamic values with modern economic principles, and creating sustainable business models. In addition, studies that specifically examine the development model of pesantren economic independence through foundation-owned enterprises, particularly in rural areas, remain limited. Each pesantren has different characteristics, resources, social environments, and institutional capacities. Therefore, a contextual model is needed to explain how pesantren can develop economic independence according to their own potential and challenges (Aziz et al., 2022; Sari et al., 2021).

Pondok Pesantren Miftahul Ulum Lumajang is one of the pesantren that has considerable potential for economic development. With approximately 7,000 students and strong support from the surrounding community, this pesantren has begun to develop foundation-based business units as a source of independent income. However, these efforts still require further strengthening, particularly in the aspects of management, product innovation, business sustainability, and partnership expansion. The development of an effective economic independence model at this pesantren is important not only for improving institutional welfare, but also for creating broader social and economic benefits for the surrounding community.

Based on this background, this study aims to analyze the model of economic independence development in Islamic boarding schools through Foundation-Owned Enterprises at Pondok Pesantren Miftahul Ulum Lumajang. This research is expected to contribute both theoretically and practically to the development of pesantren-based economic empowerment. Theoretically, this study enriches the discourse on Islamic institutional economics and pesantren economic independence. Practically, the findings may serve as a reference for pesantren administrators, policymakers, and related stakeholders in designing sustainable economic empowerment strategies that are professional, contextual, and rooted in Islamic values (Rahmawati, Oktaviani, & Prasetyo, 2022).

RESEARCH METHOD

a) Research Design

This study employed a qualitative research method with a case study design. The qualitative approach was considered appropriate because this research aimed to obtain an in-depth understanding of the process, strategy, and challenges of developing economic independence in Islamic boarding schools through Foundation-Owned Enterprises (Badan Usaha Milik Yayasan / BUMY). The case

study design was used to explore the economic empowerment model implemented at Pondok Pesantren Miftahul Ulum Lumajang as a specific and contextual phenomenon. Through this design, the research focused not only on the existence of business units within the pesantren, but also on how these business units are planned, managed, developed, and integrated with Islamic values, educational activities, and community empowerment. Therefore, this method enabled the researcher to describe the model of pesantren economic independence comprehensively and contextually (Creswell & Poth, 2018; Yin, 2018).

b) Population and Samples

The population in this study consisted of all parties involved in the development of economic independence at Pondok Pesantren Miftahul Ulum Lumajang. These parties included foundation administrators, pesantren leaders, managers of business units, students, alumni, and community members who have direct or indirect involvement in the pesantren's economic activities. The sample was determined using a purposive sampling technique. This technique was chosen because the research required informants who had relevant knowledge, experience, and involvement in the management and development of Foundation-Owned Enterprises. The main informants in this study included foundation administrators, BUMY managers, students involved in business activities, alumni who supported pesantren economic programs, and community leaders around the pesantren. The selection of these informants was intended to obtain rich and relevant data regarding the strategies, opportunities, and obstacles in developing pesantren economic independence (Etikan, Musa, & Alkassim, 2016).

c) Instruments and Data Collection Techniques

The main instrument in this study was the researcher, who acted as the key instrument in collecting, interpreting, and analyzing data. As a human instrument, the researcher directly interacted with the research subjects to understand the social, institutional, and economic realities within the pesantren environment. To support the research process, several supporting instruments were used, including interview guidelines, observation sheets, and documentation guidelines. Data collection was conducted through three main techniques. First, in-depth interviews were carried out with foundation administrators, business unit managers, students, alumni, and community figures to obtain information about the development, management, and challenges of BUMY. Second, participatory observation was conducted by observing the activities of the pesantren's business units, management practices, student involvement, and the relationship between business activities and pesantren education. Third, documentation studies were conducted by reviewing documents related to pesantren business activities,

organizational structures, reports, photographs, archives, and other supporting data relevant to the research focus (Creswell & Poth, 2018; Yin, 2018).

d) Operational Definitions

In this study, the economic independence of Islamic boarding schools refers to the ability of pesantren to manage, develop, and sustain economic resources independently in order to support institutional operations, improve educational services, and contribute to the welfare of students and the surrounding community. Foundation-Owned Enterprises or BUMY refer to business units established, owned, or managed under the authority of the pesantren foundation. These business units function as productive economic instruments that generate income for the pesantren and provide entrepreneurship learning opportunities for students. The business units may include various sectors such as agriculture, livestock, trade, services, food production, retail activities, and other potential businesses developed according to the resources and needs of Pondok Pesantren Miftahul Ulum Lumajang. Economic independence development in this research is understood as a series of efforts made by the pesantren to strengthen its financial capacity through business management, product innovation, human resource development, partnership expansion, and the integration of Islamic values in economic activities.

e) Research Procedures

The research was carried out through several stages. The first stage was a preliminary study, which aimed to understand the general condition of Pondok Pesantren Miftahul Ulum Lumajang, including its institutional background, number of students, economic potential, and existing business units. This stage was important to identify the main focus of the research and determine relevant informants. The second stage was data collection. At this stage, the researcher conducted in-depth interviews, participatory observations, and documentation studies. Interviews were conducted with key informants to explore information related to the management of BUMY, the role of the foundation, student involvement, business development strategies, and challenges faced in achieving economic independence. Observations were conducted to see directly the activities of business units and their contribution to the pesantren environment. The third stage was data organization and analysis. The collected data were classified based on themes related to economic independence, business management, institutional strategy, challenges, and development models. The fourth stage was data validation, which was carried out through source triangulation and technique triangulation. Source triangulation was conducted by comparing information from different informants, while technique triangulation was conducted by comparing data obtained through interviews, observations, and documentation. The final stage was drawing conclusions and formulating a model

of economic independence development through Foundation-Owned Enterprises at Pondok Pesantren Miftahul Ulum Lumajang. The findings were then interpreted to explain how BUMY can become a strategic instrument for strengthening pesantren economic independence (Miles, Huberman, & Saldaña, 2014).

f) Data Analysis Technique

The data analysis technique used in this study was thematic analysis. This technique was used to identify, classify, and interpret patterns or themes that emerged from the research data. Thematic analysis was considered suitable because this research focused on understanding the strategies, challenges, and model of economic independence development in pesantren through BUMY. The analysis process consisted of several stages. The first stage was data reduction, in which the researcher selected, simplified, and organized data obtained from interviews, observations, and documentation. The second stage was coding, which involved marking important statements and information related to the research focus. The third stage was categorization, in which similar codes were grouped into broader themes, such as business unit management, student participation, institutional support, financial independence, partnership networks, and obstacles in business development. The fourth stage was data interpretation, where the researcher analyzed the meaning of each theme and connected it with the research objectives. The final stage was drawing conclusions regarding the model of economic independence development through Foundation-Owned Enterprises at Pondok Pesantren Miftahul Ulum Lumajang. The analysis was carried out interactively and continuously until the data were considered complete, consistent, and able to answer the research problem (Braun & Clarke, 2021; Miles, Huberman, & Saldaña, 2014).

RESULT AND DISCUSSION

This section presents the research findings on the development model of pesantren economic independence through Foundation-Owned Enterprises (Badan Usaha Milik Yayasan / BUMY) at Pondok Pesantren Miftahul Ulum Lumajang. The findings are analyzed objectively by distinguishing between empirical findings, interpretation, and their implications for pesantren-based economic development.

1. Profile and Contribution of BUMY Business Units

The findings show that Pondok Pesantren Miftahul Ulum Lumajang has developed several business units under BUMY as an institutional effort to strengthen economic independence. The main business units identified are supermarket, agriculture, livestock farming, and laundry services. These units do not have the same level of contribution, both in terms of income generation and employment absorption.

Table 1. Contribution of BUMY Business Units to Pesantren Income and Employment

No.	Business Unit	Contribution to Income (%)	Employees Involved
1	Supermarket	48%	15 people
2	Agriculture	27%	10 people
3	Livestock Farming	18%	7 people
4	Laundry Services	7%	4 people

Source: Primary Data, Interview Results, and Documentation, 2024.

The data indicate that the supermarket is the most dominant business unit, contributing 48% of total BUMY income. This finding suggests that business activities directly related to the daily needs of students and the pesantren community have stronger economic viability. The supermarket also involves the highest number of workers, namely 15 people, consisting of students and alumni.

Agriculture contributes 27%, showing that local resource-based businesses remain relevant in the pesantren environment, especially when land and human resources are available. Livestock farming contributes 18%, while laundry services contribute 7%. Although laundry has the smallest financial contribution, it still has functional value because it supports students' daily needs and creates additional work opportunities.

However, these figures should be interpreted carefully. The data show the relative contribution of each business unit, but they do not yet explain profitability, operational efficiency, long-term sustainability, or net income after costs. Therefore, the contribution percentage should be understood as an initial indicator of economic performance, not as a complete measurement of business success.

2. Strategies for Developing Economic Independence Through BUMY

The development of BUMY at Pondok Pesantren Miftahul Ulum Lumajang is carried out through several main strategies. First, the pesantren applies business diversification. Instead of relying on one business sector, BUMY develops several units with different characteristics. This strategy reduces the risk of dependence on a single source of income. The supermarket serves internal consumption needs, while agriculture and livestock farming are based on local economic potential.

Second, BUMY involves students and alumni in business operations. This involvement gives students direct experience in entrepreneurship, work discipline, service management, and basic financial practices. In this context, BUMY functions not only as a source of income, but also as a practical learning medium. Nevertheless, student involvement must be managed carefully so that business activities do not interfere with the main educational function of the pesantren.

Third, the pesantren develops partnerships with external parties. These partnerships are important for access to capital, supply chains, training, and market expansion. However, the effectiveness of partnerships still depends on the pesantren's managerial capacity and ability to maintain institutional accountability.

Fourth, BUMY begins to adopt professional management principles, especially in task division, supervision, and financial accountability. This is important because pesantren-based business units often face challenges in separating social, educational, and commercial functions. Without clear governance, business units may become difficult to evaluate objectively.

3. Challenges in BUMY Development

The study found that BUMY development still faces several important challenges. The first challenge is limited capital. Business expansion, facility improvement, and product development require financial resources that cannot always be fulfilled internally. This limitation may slow down the development of new business units and reduce competitiveness.

The second challenge is managerial capacity. Some business managers still require further training in financial planning, inventory control, marketing, digital literacy, and business evaluation. This challenge is important because economic independence cannot be achieved only by establishing business units; it also requires the ability to manage them efficiently and sustainably.

The third challenge is product and service competitiveness. BUMY business units operate in a market environment where they must compete with other local businesses. Without product innovation, branding, service quality, and market expansion, pesantren business units may remain limited to internal consumers.

The fourth challenge is regulation and licensing. Some business activities require formal permits, product certification, and administrative compliance. This issue becomes more relevant if BUMY intends to expand beyond the internal pesantren market.

These challenges show that BUMY has potential, but its sustainability cannot be taken for granted. Continuous capacity building, financial planning, digital adaptation, and institutional governance are needed to ensure that BUMY develops as a professional and sustainable business entity.

4. Economic and Social Impacts of BUMY

The development of BUMY has generated economic and social impacts for Pondok Pesantren Miftahul Ulum Lumajang. Economically, BUMY contributes to creating alternative income sources for the pesantren. This income can help support operational costs, educational activities, facility development, and welfare programs.

Socially, BUMY creates employment opportunities for students, alumni, and, to some extent, the surrounding community. Student involvement in business activities provides practical experience that complements religious and formal education. Alumni involvement also strengthens the relationship between pesantren and its graduate network.

In addition, BUMY contributes to local economic circulation. The supermarket, agriculture, livestock, and laundry units connect the pesantren with suppliers, consumers, workers, and local communities. This strengthens the role of pesantren as not only an educational institution, but also a local economic actor.

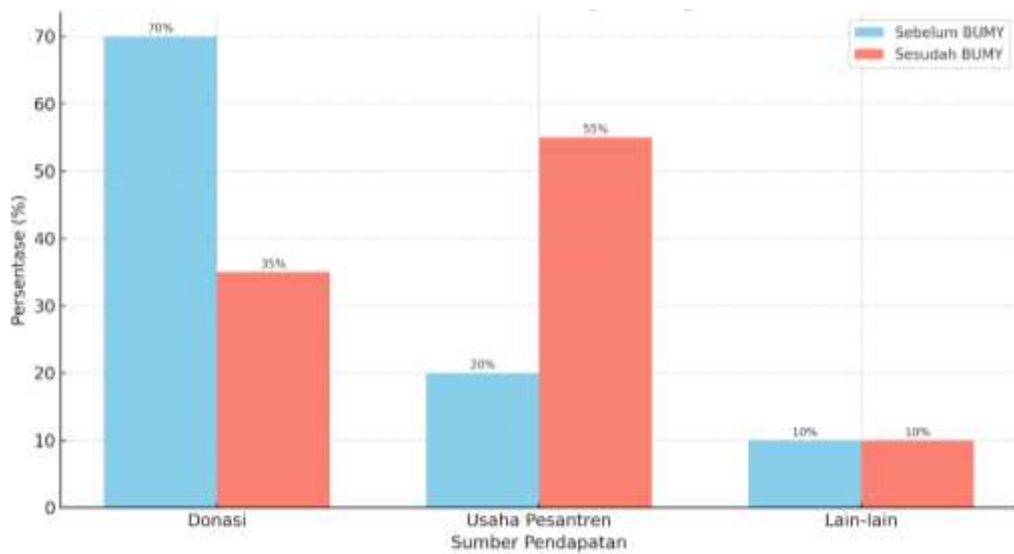
However, the impact of BUMY should not be overstated. This study has not yet measured the long-term economic impact quantitatively, such as profit growth, return on investment, household income improvement, or community welfare indicators. Therefore, the impact described in this study is mainly based on qualitative findings from interviews, observations, and documentation.

Development Model of Pesantren Economic Independence Through BUMY

Based on the findings, the development model of pesantren economic independence through BUMY consists of five main elements: pesantren potential, Islamic values, institutional support, professional business management, and external partnerships.

First, pesantren potential includes students, alumni, land, community trust, and internal market demand. Second, Islamic values provide the ethical foundation for business practices, such as honesty, halal transactions, trustworthiness, justice, and public welfare. Third, institutional support from the foundation and pesantren leadership determines the direction and sustainability of BUMY. Fourth, professional management is required to ensure that business units are planned, recorded, supervised, and evaluated properly. Fifth, external partnerships strengthen access to capital, training, supply chains, and market networks.

Figure 1. Development Model of Pesantren Economic Independence Through BUMY



Source: Primary Data, Analysis Results, 2024

Note: The graph above is an illustration. In the actual journal, a more precise bar graph or pie chart will be used.

The diagram above illustrates that BUMY is positioned as the central economic institution that connects pesantren potential, Islamic values, institutional support, and external partnerships. Through business diversification, professional governance, human resource empowerment, and partnership expansion, BUMY is expected to produce four main outputs: institutional income, entrepreneurial learning, community impact, and long-term pesantren sustainability.

At the same time, the model also recognizes several constraints, namely limited capital, uneven managerial capacity, weak digital marketing, licensing issues, and product competitiveness. These constraints must be addressed continuously so that BUMY does not only function as a short-term income source, but as a sustainable economic institution.

5. Discussion

The findings indicate that BUMY has become an important instrument for strengthening pesantren economic independence at Pondok Pesantren Miftahul Ulum Lumajang. The existence of several business units shows that pesantren have the potential to develop productive economic activities when supported by internal resources and community trust.

The strongest finding is the dominance of the supermarket as the largest contributor to BUMY income. This suggests that business units based on internal market demand are more likely to generate stable income. In pesantren with a

large number of students, daily consumption needs can become a strong economic base. However, dependence on internal consumers may also limit market growth. Therefore, expansion beyond the pesantren environment is needed for long-term development.

The agriculture and livestock units show that local potential remains important in pesantren economic development. These sectors can support food security, reduce operational costs, and create productive activities for students. However, these sectors also require technical knowledge, capital, and market access. Without proper management, agriculture and livestock may face productivity and profitability problems.

The role of students and alumni in BUMY supports the concept of pesantren-based entrepreneurship. BUMY provides practical learning that cannot be obtained only through classroom education. However, this involvement must be balanced with educational priorities. Student participation should be designed as structured training, not merely as unpaid labor or informal assistance.

From the perspective of Islamic economics, BUMY reflects the principle of *hifz al-mal*, namely the protection and productive management of wealth. Pesantren economic independence is not only about generating profit, but also about ensuring institutional sustainability, improving welfare, and providing benefits to the community. Therefore, the success of BUMY should be measured not only from income, but also from its contribution to education, empowerment, and social welfare.

Overall, the findings support previous studies which state that pesantren economic independence requires business diversification, professional management, human resource development, and strategic partnerships. However, this study also shows that the BUMY model still requires strengthening in several aspects, especially capital access, managerial capacity, digital marketing, product competitiveness, and impact measurement.

Thus, BUMY at Pondok Pesantren Miftahul Ulum Lumajang can be considered a promising model of pesantren economic independence. Nevertheless, its success should be understood as a developing process rather than a final achievement. Further improvement is needed so that BUMY can become a sustainable, accountable, and replicable model for other pesantren with similar characteristics.

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